

**COST OF GOVERNMENT COMMISSION
MINUTES
“Hybrid-Remote” Via BlueJeans Videoconference
and
In-Person, Mayor’s Conference Room, 9th Floor, Kalana O Maui Building
December 8, 2022**

PRESENT: Michael Williams, Chair
Daniel O’Brien, Vice Chair
Evan Dust, Member
Paula Heiskell, Member
Spencer Lau, Member
Sarah Simmons, Member

ABSENT: Lu Ann Lankford-Faborito, Member
Poerava Tehiva, Member

STAFF: Caleb Rowe, Deputy Corporation Counsel
Shelley Pellegrino, Technical Writer for the Commission
Lance Taguchi, County Auditor

I. CALL MEETING TO ORDER

Chair Williams called the meeting to order at 10:00 a.m.

II. ROLL CALL

Chair Williams took roll. Commissioners Dust, Heiskell, Lau, Vice-Chair O’Brien, and Chair Williams were present. Commissioners Lankford-Faborito and Tehiva were absent. There is one vacancy. All commissioners appeared remotely via BlueJeans.

III. PUBLIC TESTIMONY

There was no public testimony.

IV. REVIEW CORRESPONDENCE RECEIVED

There was no correspondence received.

V. REVIEW AND APPROVE APPROVE OCTOBER 19, 2022 DRAFT COMMISSION MINUTES AND NOVEMBER 10, 2022 COMMISSION MINUTES

Commissioner Dust moved to approve the October 19, 2022 and November 10, 2022 meeting minutes, and Commissioner Heiskell seconded the motion. There was no further discussion. The Commission approved the minutes unanimously (6-0; two absent; one vacancy).

VI. COUNTY AUDITOR’S UPDATE

County Auditor Lance Taguchi stated that he did not have an update to provide.

Commissioner Dust asked Mr. Taguchi when he would present his list of new audits to the new County Council. Mr. Taguchi responded that an Audit Plan is required prior to July 1,

which is the start of the new fiscal year, but that he can make revisions to his Audit Plan at any time during the year. If he were to add an item, he would notify the County Council and Administration of the addition.

Chair Williams asked whether the County Council or Administration can force the Auditor to review an issue. Mr. Taguchi responded that the Charter gives the Auditor full discretion, as long as he notifies the Administration and Council of his plan. His practice has been to review proposals from the Council or Administration and determine whether he has the time and resources to take on the proposed projects. He added that he has in the past responded to Council requests and added an investigation, audit, or assessment. To his knowledge, the Administration has not asked him to formally review an issue during his tenure.

VII. DISCUSS COST OF GOVERNMENT COMMISSION FISCAL YEAR 2024 PROPOSED BUDGET

Mr. Taguchi stated that he submitted the Commission's budget request of \$55,000 to the Mayor's Office as part of the Office of the County Auditor proposed budget.

VIII. REVIEW SCOPE AND PARAMETERS OF TEMPORARY INVESTIGATIVE GROUP (TIG) INVESTIGATIONS

A. Visitor Accommodations — Policy Options for Management (Chair Williams, Vice-Chair O'Brien)

Chair Williams proposed that the TIG be dissolved, and that he be allowed to complete the investigation and draft report.

Vice-Chair O'Brien moved to dissolve the TIG, and Commissioner Dust seconded the motion. The motion was approved unanimously (6-0; two absent; one vacancy).

B. County Road Safety (Commissioners Dust and Heiskell)

- [Revised Proposed Parameters and Scope of Investigation Regarding County Road Safety](#) (revised TIG termination date)

Commissioner Dust explained that the TIG proposed a revised termination date. Vice-Chair O'Brien noted that the proposed termination date should read February 2023 (rather than 2022).

Vice-Chair O'Brien moved to accept the revised parameters and scope of investigation, and Vice-Chair Dust seconded the motion. The motion was approved unanimously (6-0; two absent; one vacancy).

The Commission then briefly discussed the upcoming expiration of the terms of Chair Williams, Commissioner Dust, and Commissioner Lankford-Faborito, as well as the term of the currently vacant position at the end of March 2023. Neither Chair Williams nor Commissioner Lankford-Faborito are eligible for reappointment, but Commissioner Dust is eligible.

Commissioner Dust asked Deputy Corporation Counsel Rowe whether a person who is appointed to a term that ends potentially one month later could be automatically reappointed to a second term.

Chair Williams expressed his preference that commissioners be appointed for five-year terms from the date of their appointment. He also expressed his concern that four COGC commissioners will end their terms in 2023, and five commissioners will end their terms in 2024.

Technical Writer Shelley Pellegrino noted that the Charter governs the appointment process and term limits, but noted that after the Commission terms were amended by Charter (i.e., to replace two-year terms with five-year staggered terms), an administrative error resulted in the terms being extended from two to five years, but not staggered as required under the Charter. Consequently, four commissioners end their term in one year, and five commissioners end their term one year later.

Deputy Corporation Counsel Caleb Rowe responded to Commissioner Dust's question first, stating that the commission terms are set by Charter, so the individual who fills a current vacancy would only do so through the remainder of the term; he or she would then need to apply for reappointment. With respect to the five-year staggered term question, Mr. Rowe stated that he would be willing to look into the issue of correcting the error.

Chair Williams asked whether the County Clerk could remedy the situation given the recently-passed Charter amendment providing the County Clerk with the authority to fix inconsistencies in the Charter. Mr. Rowe responded that it is his understanding that the authority provided to the County Clerk is to clean up language in the Charter, but not necessarily cleaning up problems that arise from application of the language of the Charter. Mr. Rowe does not believe that the issue presented by the Commission would fall under the County Clerk's new authority.

Chair Williams suggested that the Commission prepare a letter to the new Mayor and Council Chair to be transmitted in January 2023 regarding the vacancy issues discussed above.

- C. State-County Partnership to Provide Solar Energy Power to Wailuku-Kahului Wastewater Reclamation Facility (Chair Williams, Vice-Chair O'Brien)
- [Revised Proposed Parameters and Scope of Investigation into State-County Partnership to Provide Solar Energy Power to Wailuku-Kahului Wastewater Reclamation Facility](#) (revised TIG termination date)

Commissioner Dust moved to approve the revised proposed parameters and scope of investigation, and Vice-Chair O'Brien seconded the motion.

During the discussion, Commissioner Dust noted that one question that is not in the scope and parameters document is the future of the existing Wailuku-Kahului Wastewater Reclamation Facility. His understanding is that the current Administration has a plan to relocate it to a location farther from the shoreline. If the State is asked to provide additional storage and generation capacity, what concerns might the State have if the County later decides to move its facility to Waikapū and decommission the Wailuku-Kahului plant. Commissioner Dust is interested in learning what the timeline is for such a move.

Chair Williams agreed to add the question to the investigation.

Commissioner Dust moved to amend the motion to add this topic to the scope and parameters of the investigation. The motion, as amended, was approved unanimously (6-0; two absent; one vacancy).

D. County of Maui Unfunded Liabilities (Commissioners Lau and Simmons)

- [Proposed Parameters and Scope of Investigation into County of Maui Unfunded Liabilities](#)

Commissioner Simmons stated that she did not have anything additional to add to the proposed parameters and scope, and that her and Commissioner Lau's focus is to identify strategies to help reduce the County's unfunded liabilities.

Commissioner Dust moved to approve the proposed parameters and scope of investigation, and Vice-Chair O'Brien seconded the motion.

During discussion, Commissioner Dust noted that the Commission just passed a report on real property tax which states that the County Council and the Administration could "turn the crank on the property tax revenue generation machine" and generate plenty of revenue. He asked whether there is an advantage to the County in maintaining the liability as unfunded.

County Auditor Taguchi encouraged the Commission to read his audit report on the treasury (Report No. 14-01, "Examination of the Treasury Function of the Department of Finance"), which includes his perspectives on the issue of unfunded liabilities.

Commissioner Simmons responded that the TIG could review both the advantages and disadvantages of paying off the County's unfunded liabilities.

The motion was approved unanimously (6-0; two absent; one vacancy).

IX. DISCUSS POTENTIAL TOPICS TO REVIEW AND POSSIBLE ESTABLISHMENT OF

A. County Real Property Tax Policies (Chair Williams)

Chair Williams stated that he plans to propose a revised RPT report before his Commission term ends in March 2023, including an assessment of agricultural property taxes and enforcement of the ag use rules (i.e., if a taxpayer has agricultural land and is a genuine agricultural operation, then the part of the property that is dedicated to agricultural use receives a lower assessed value than market value).

Chair Williams added that he hoped the Commission's RPT report informs the Council's budget discussions in 2023.

Vice-Chair O'Brien asked whether Chair Williams also planned to address arguments currently being made that future real property tax revenue might be reduced due to the County's focus on affordable housing, as opposed to non-owner occupied or second homes that might bring in more property tax revenue. Chair Williams responded that the County does not need to depend on owner-occupied tax revenue because the revenue sources that should be tapped are the visitor accommodations and second homes.

B. Capital Improvement Project Budgets of Department of Water Supply and Department of Environmental Management (Chair Williams)

Chair Williams recommended that the investigation be disbanded, and that Commissioner Dust propose a new investigation, scope, and parameters at the January 2023 meeting based on his interest in CIP delivery.

Commissioner Dust moved that the Commission be discharged from investigating the CIP budgets of the Department of Water Supply and Department of Environmental Management. Vice-Chair O'Brien seconded the motion. The motion was approved unanimously (6-0; two absent; one vacancy).

X. UPDATE ON PROJECT TO PROVIDE ACCESS TO PUBLIC DOCUMENTS FILED IN COUNT LITIGATION

Chair Williams stated that he had no new information to provide.

XI. DISCUSS POTENTIAL TOPICS TO REVIEW AND POSSIBLE ESTABLISHMENT OF TEMPORARY INVESTIGATIVE GROUPS (TIGS)

There was no discussion of new topics.

XII. DETERMINE NEXT MEETING DATE AND AGENDA

The next Commission meeting is scheduled for January 12, 2023.

XIII. ADJOURNMENT

The meeting adjourned at 10:50 a.m.